

EXHIBIT 3

In the Matter Of:

18-cv-066266

ACTAVA TV, INC., et al.

v.

JOINT STOCK COMPANY "CHANNEL
ONE RUSSIA WORLDWIDE," et al.

Deposition of Rousian Tsoutiev

Friday, December 18, 2020



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Reporting
Company**

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get involved, because that was involvement in those times, because technology was, you know, just rapidly developing. We understood that we could do something on that with a clear, clear business plan. And then at sometime it became, you know, more or less obvious that we can create platform for TV streaming, and then it was second question what to stream? Because we don't have our own production. Looking for different kind of, you know, just solutions on the platform, on the equipment, and what to stream up to -- sometimes we got to the some understanding what can be possibly done.

Q. When you were involved in this streaming activity, was it through Master Call or did you create or purchase other companies?

MR. BUTTERFIELD: Objection to form of the question, but you can answer.

A. To the Master Call, we never

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1 did any streaming, any equipment with it.
2 It was, you know -- Master Call never
3 involved in the streaming, in any kind of
4 activity services. Master Call was
5 always and concentrated on long distance
6 international call. For TV services, as
7 we understood that we could do something,
8 that time we created specifically company
9 for TV services. We didn't know exactly
10 what we would do, but we knew that it
11 would be TV over internet technology, and
12 we created companies specifically for
13 that.
14

15 Q. When you say "we," who do
16 you mean?

17 A. I, myself.

18 Q. So who owned Master Call?

19 MR. BUTTERFIELD: At what
20 time? Objection to form of the
21 question. You can answer.

22 A. Master Call -- I just want
23 to know the history of Master Call is
24 going back to, as I told, 1991. It's a
25 very long time.

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What specifically time you
say? What time? Can you specify?

Q. Who owned Master Call?

A. At what time?

Q. When you got involved with
it.

A. Do you mean when the company
was registered and started to somehow to
operate it, right?

Q. Yes.

A. Let me recall. We had -- we
had -- I guess it was -- yeah, it was
three partners including myself. Then --

Q. Who?

A. One of the partners was --
his name I just -- first name Alexander.
Of the course last name I have trouble.
I forget. It was so long ago.
Alexander. I recall, I will tell you.

Q. Thank you.

A. The second one was the guy
last name Shumshata (phonetic). He was
my father relative. He was in the United
States. He came after. But he was

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passive as I remember, a passive partner. Alexander and I, we were working, you know, activity. Then that was at the very, very beginning. Very soon Alexander left the company. Of course as a partner, we had some disagreements. He didn't deliver something. He decided to leave. With another partner who worked until probably four or five years together and then we parted. I became the sole ownership of Master Call somewhere from 2004 maybe '5. And that's what I kept, you know.

Q. When you launched into television streaming, did you open up a new company or did you purchase a company?

A. Open up new register.

Q. What was the name of that company?

A. Actava TV, Inc.

Q. Who owned Actava TV at its inception?

A. I own.

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2 Q. Who owns it today?

3 A. I own.

4 Q. Did Actava TV ever purchase
5 any other companies?

6 A. Yes.

7 Q. What companies?

8 A. We purchased -- we never --
9 it's not correct. We never purchased
10 company. We purchased assets of other TV
11 companies.

12 Q. Which companies?

13 A. The company called Russian
14 Telic (phonetic).

15 Q. When was that asset
16 purchased?

17 A. That was 2013. Maybe
18 towards end or middle, I don't remember,
19 but it was kind of that period.

20 Q. What assets did you
21 purchase?

22 A. We purchased a platform
23 which is equipment, hardware, plus
24 software. We purchased some kind of --
25 various type of software that they used

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for the services and physical equipment.
Some agreements they had with us service
providers. And customer base it was very
small, but it is still customer base.

Q. When did you start
streaming? When did Actava start
streaming?

MR. BUTTERFIELD: Objection
to form of the question. You can
answer.

A. Yeah. I'm trying to recall.
I would say in 2011 we had some sales.
Not maybe significant. Some sales from
services we sold.

Q. Now, what services was
Actava selling?

A. Actava sold -- we call it,
it's correct name, we call OTT streaming
to the customers. Stream was originated
on our equipment, our platform and
received by receivers of the customers
and receivers we call them STBs boxes.
And the customers were able to connect to
the TV and watch TV stream.

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2 Q. What channels?

3 A. I don't recall what channels
4 we started. We probably started with
5 very few. Actually it was free for us
6 and as for everyone else. And we
7 gradually tried to increase the number of
8 channels to attract more customers.

9 Q. When did you start
10 broadcasting Russian television?

11 MR. BUTTERFIELD: Objection
12 to the form of the question. You
13 can answer.

14 A. That's around the time of
15 2011, 2012.

16 Q. Where did you get your
17 content?

18 A. It was amazing, but to get
19 the content it was easy as I don't know
20 now lately. It was absolutely easy to
21 get streams from any -- almost any
22 channel. There was availability was all
23 around, you know, just -- I don't even
24 recall what -- who fed us with some
25 streaming, but it was easier to find from

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one source to another source. It was plenty of choices.

Q. Did there ever come a time when Actava started paying for content?

A. Actually, yeah, that's a good question. Let me recall. Yes, at sometime we found one or two, three companies. They were -- I believe they presented themselves as the kind of aggregators. It's not like you go to the one channel, let's say Channel 7 and tell me give me yours. You go to guy and say I have 77 channels. And this aggregators became, you know, just more and more available. And they said, okay, we have arrangements with the channels. We have everything needed. You just pay us some fee, and we will give you the streams and you can broadcast. I was -- I learned -- not learned -- many, many bigger companies do the same and they were the same customers, same sources. And then we started to pay, because it was a better quality and a better choice of

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2 channels. We start to pay as we thought
3 for the content.

4 Q. What were the names of the
5 aggregators supplying you the content?

6 A. The one who worked just --
7 it was -- I just recall they were based
8 in Russia and Germany. Russia and
9 Germany. But I don't recall the name.

10 Q. MH.com?

11 A. That's some -- I not
12 guaranty, but it's something like that,
13 yeah.

14 Q. So do you have documents
15 that you could refer to and that would
16 refresh your recollection as to the name
17 of the aggregators?

18 MR. BUTTERFIELD: You're
19 talking about back in '12 or '13,
20 Ray, right?

21 MR. DOWD: At any point in
22 time.

23 A. I may. But I may not
24 because I wasn't -- difficult -- if you
25 would please show me then I will

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2 remember.

3 Q. So we've asked for copies of
4 any of these documents. So if you have
5 any to bring to our attention, we are
6 renewing that request. But let's move
7 forward with your recollection and your
8 testimony.

9 Do you recall how much you
10 were paying to aggregators over time?

11 A. Yes.

12 MR. BUTTERFIELD: Objection
13 to form, but if you can answer,
14 you can go ahead.

15 A. That was -- you and I have
16 good memory. I could say between
17 somewhere \$4,000 -- not more than maybe
18 five -- 4, 5,000 per month, that was our
19 payment.

20 Q. And this is for what period
21 of time?

22 A. It's -- I guess it's lasted
23 until unfortunately realize they didn't
24 have licensing and rights. It was until
25 2015, end of 2015.

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2 Q. How did you realize that
3 they didn't have licensing rights?

4 A. That was -- it's very
5 unfortunate for us, realization, because
6 we were hit by a lawsuit, and we got the
7 full judgment because we weren't sold
8 property. And we just realized later on.
9 Then we start to, you know, see why we
10 don't have licenses. Because no one had
11 licenses in those times. No one.
12 Kartina, Matina, whatever we knew what
13 approximately they were competitors. No
14 one. All of a sudden licensing. And
15 then we understand this guys actually
16 couldn't provide us proof of the
17 licensing from any channels.

18 Q. Which guys?

19 A. This -- the aggregators.

20 Q. So what aggregators did you
21 deal with besides MH.com?

22 MR. BUTTERFIELD: Objection
23 to the form of the question. You
24 can answer.

25 A. I don't recall any others.

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it's correct. Because of claims, the second claim, which arrived right after the first one, I don't remember when, maybe it was beginning of February, from bigger number of channels, including channel one.

Q. Did you have a license to broadcast any of the content that you broadcast through Actava?

MR. BUTTERFIELD: Objection to the form of the question. It's vague. You can answer.

A. What channels are we talking about? The channels were --

Q. Actava broadcast over a hundred channels that was your testimony. Those are the channels that I'm referring to, sir.

A. You know what, it's not -- I say remember, many, many channels they didn't have any system or license and they --

Q. You didn't have a license for even one of those channels, did you?

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MR. BUTTERFIELD: Please

don't interrupt his answer.

A. Okay. Let's start over
again.

Q. No, answer my question.

MR. DOWD: Madam court
reporter, please read the question
back.

(The record is read back by
the reporter.)

A. Yes, we had licenses for
three, four, five, six channels.

Q. Which ones?

A. I guess we provided that
information and we paid monthly fees for
those channels.

Q. Who? Let's focus on the
timeframe in Paragraph 31 that we're
looking at here, in your complaint.

At that time, did you have a
license to broadcast even one of those
over hundred channels that you testified
that you, as Actava, were broadcasting?

A. Yes. We had five or six

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2 channels.

3 Q. So you said you have five or
4 six licenses?

5 A. Right.

6 Q. Out of the over hundred
7 channels?

8 A. Correct.

9 Q. And which licenses did you
10 have at that time?

11 A. At that time from February
12 or January -- February I believe we had
13 licenses for some Russian media which is
14 I believe four or five channels, maybe
15 even six channels, and we paid monthly
16 fees for that.

17 Q. When did you start the
18 relationship with Russian media?

19 A. Sometime in February or
20 January 2016.

21 Q. Okay. So prior to
22 January 2016, you didn't have a license
23 for any of those over a hundred channels
24 that you were broadcasting, correct?

25 A. I don't remember what we

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2 have. I cannot say.

3 Q. So you think it's possible
4 that there's a license agreement in
5 Actava's files that you just forgot; is
6 that your testimony?

7 MR. BUTTERFIELD: Objection.

8 It's mischaracterizing what he
9 said.

10 A. I don't recall we had
11 license agreement. But the other side of
12 the coin is many, many channels they
13 didn't require and they have no, in their
14 system, even license.

15 Q. You're testifying under oath
16 here today.

17 It's true, isn't it that you
18 knew and you know today that Actava had
19 no licenses to broadcast any of those
20 channels on or around January 2016; isn't
21 that correct?

22 A. Okay. January 21st as of
23 that day, right? As of that day I think
24 we may not have any licenses as of that
25 day, January 21.

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2 Infamere, do those names now ring any
3 bells?

4 A. Yes, just a little bit
5 closer, I'll tell you. Give me a little
6 bit more time.

7 Q. Mara Hoffski (phonetic)?

8 A. Say again?

9 Q. Do you know the name Mara
10 Hoffski?

11 A. Mara Hoffski, I know the
12 name, but, I guess, with Infamere that's
13 what I remember.

14 Q. Did you have any business
15 dealings with Mara Hoffski?

16 A. No, we didn't. Set top
17 boxes we couldn't use much. We did test,
18 but we didn't use.

19 Q. So you never used Infamere
20 box tops?

21 A. Yeah, we did use, but we
22 reached to Juna (phonetic) and other more
23 and more advanced set top box.

24 Q. So what period of time did
25 you use Infamere boxes?

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2 A. In the '11, '12 sometime
3 like that. Maybe it was longer.

4 Q. Well, how much longer?

5 A. Oh, I would say with the
6 purchase of the equipment of Russian
7 Tele, we obtained other capabilities to
8 use android based set top boxes.

9 Q. And refresh my recollection,
10 around when did you acquire Russian
11 Telic?

12 A. 2013, I believe.

13 Q. Okay. So up until that
14 point you used Infamere technology?

15 A. Yes. Not always, but used.

16 Q. During that time that you
17 were using Infamere technology, how did
18 the signal get from Ukraine to the United
19 States, can you describe that?

20 MR. BUTTERFIELD: Objection.

21 Asked and answered. You can
22 answer to the extent that you got
23 more information.

24 A. I would say more correct
25 answer would be from the content from the

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1 servers of those companies -- almost came
2 to my mind. I forgot again. Content
3 through the multiple channel, you know,
4 just connectivity between us kind of DPN,
5 if you are familiar with that network --
6

7 Q. Yeah.

8 A. -- was transmitted to our
9 servers and from our servers distributed
10 to the consumers. But some of the
11 servers, and more so -- because I
12 purchased almost 60, \$80,000 equipment
13 and placed in Ukraine, our equipment.
14 What does it mean? It means it was very
15 high capacity service to do, you know,
16 just multiple. But the servers were
17 there as part of our investment. The
18 servers from their site in Ukraine
19 transmitted, I believe, directly to the
20 customers, and possibly some of them, you
21 know, we transmitted it. But it's
22 difficult to say now how it was. It was
23 -- because they wanted always to control
24 over the signal to the customers, that's
25 one thing. And they wanted control to

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Russian TV, allowed us to build infrastructure around it, the way providing, you know, high availability or redundancy if you call just making no failure. And then get internet service or internet capacity here in New York, which we can choose ourselves for quality, just purposes. And that improved our quality. And the answer for your question is we streamed content from our equipment directly to the customers' receivers.

Q. So were you using Stocka (phonetic) middle wear before you acquired Russian Telex assets?

A. I don't remember. It always needed middle wear in that business, but I think in our previous business model, it was responsibility of this Ukrainian, but when we started new era in 2013 or later to build our own infrastructure, of course, I believe middle wear was a problem -- our problems and provided by us, by Actava I mean.

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2 Q. So your understanding is
3 that Actava custom designed its own
4 improved middle wear based on Russian
5 Telex Solution?

6 A. That's correct. Yes, that's
7 correct.

8 Q. Now, moving to Paragraph 32
9 here. The last line, and I ask you to
10 read this earlier. You said that Actava
11 dismantled its technology infrastructure
12 and configured a considerable expense.
13 Deactivated a substantial plead of
14 internet servers like McCleen (phonetic)
15 and offered and to give refunds of those
16 who paid in advance.

17 Do you have any evidence of
18 any of that?

19 A. First of all, return of
20 money to the customers. Obviously we
21 should have evidence. I don't remember
22 you requested or we provided. But we
23 have in the form of checks we sent return
24 to the credit cards I think we have
25 evidence.

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2 Q. Well, you want my clients to
3 pay these bills, right? I mean that's
4 the point of the lawsuit.

5 MR. BUTTERFIELD: Objection.

6 Q. Right? I mean you are
7 claiming this as damages, no?

8 A. Oh, let's not go to damages
9 please. We're not -- just damages report
10 will be as ready as we'll be ready. It
11 would be enough.

12 Q. Mr. Tsoutiev, with all due
13 respect, you're the CEO of the company.
14 This is your deposition. I'm entitled to
15 ask about damages that you've alleged.
16 So I haven't found, in any the documents
17 given to us, any evidence of any of the
18 damages that you alleged in paragraph 32.
19 So I'm asking you, to give you the
20 opportunity to show us what damages
21 you're seeking here, and this is your
22 opportunity.

23 So let's look at the first
24 sentence. Actava dismantled the
25 technology infrastructure that it

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2 purchased and configured at its
3 considerable expense.

4 Do you have any evidence of
5 this?

6 A. Yeah, either I confused or
7 accountant. What we're talking about, I
8 guess, in different areas. This what
9 we're talking about before we did the
10 settlement with you guys, that was this
11 period. What we talking about that is
12 damages is a newer era when we started
13 our business completely legal and
14 everyone knows it was legal. And that's
15 after that Actava was destroyed.

16 Q. Just to be clear, sir,
17 you're seeking no damages for any of
18 this, any of those lost customers, any
19 shutting down all the damages that you
20 claim your company suffered, you have no
21 evidence and you're not claiming any of
22 that?

23 MR. BUTTERFIELD: Objection.

24 That's not what he's saying.

25 Q. Am I stating that correctly?

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less payments in '16 -- of October '16. Then whoever didn't payout -- not we -- Matvil actually paid us. Whatever Matvil didn't pay us in October, they paid maybe more in November to just to fill and then December. It's a cash flow, cash flow. And you as a law firm you not every month get the same amount. Sometimes you get more. Sometimes less. But over the longer period of time, you get your revenue. That's it was.

Q. Now, how did Matvil pay you?

A. Wire transfers.

Q. Where are the records?

A. My attorneys, I believe, they have the records.

MR. DOWD: Is that true, Toby?

MR. BUTTERFIELD: I'm not sure. I don't believe we've been back and forth about you wanting backup for wire transfer for these figures.

MR. DOWD: Alright. It's 1:21. Let's take a 15 minute